

ASSEMBLY BILL

No. 2990

Introduced by Assembly Member McCarthy

February 20, 2004

An act to add Section 1374.17 to the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 2990, as introduced, McCarthy. Health savings accounts.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (act), provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a violation of the act's requirements a crime. Under the act, a plan is required to comply with specified standards with regard to the coverage it provides.

This bill would authorize a health care service plan to offer a plan contract with a high deductible for an enrollee or subscriber who has a health savings account that plan contract complies with specified provisions of federal law.

Because the bill would specify additional requirements under the act, a violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1374.17 is added to the Health and
2 Safety Code, to read:

3 1374.17. Notwithstanding any other provision of law, a health
4 care service plan may offer a plan contract that has a high
5 deductible amount for a subscriber or enrollee with a health
6 savings account meeting all of the requirements of Section 1201
7 of Title XII of the Medicare Prescription Drug, Improvement, and
8 Modernization Act of 2003 (P.L. 108-173).

9 SEC. 2. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.

